

Leveraging U.S. Government Investment and Development Funds for Market Development

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Elements

- Understand Africa, its market environment and the organizations that serve this region
- Know the fundamentals of economic and agricultural development
- Develop mutually beneficial strategies that simultaneously promote market access and economic development
- Formulate a national and regional vision
- Develop strategic alliances and partnerships
- Leadership



Understanding the African Market Environment –The Positives

- Africa is a market of nearly 1 billion people
- Excellent market opportunities for a number of U.S. agricultural products
- Recognize that the more difficult the market environment the more opportunity that exists
- After decades of declining foreign assistance, the world community is again becoming engaged in Africa – possible increase in funds and resources
- Increased recognition of the private sector's role in Africa's economic and agricultural development



Understanding the African Market Environment –The Negatives

- Market access for U.S. agricultural products is often impeded by inefficiencies found in African agricultural sectors such as:
 - Regulatory systems
 - Supply and demand structures
 - Agricultural production and trade policies
 - Technology transfer mechanisms
 - Infrastructure and organizational deficiencies
 - Low integration into the global economy and markets
 - Undeveloped regional markets
 - Lack of privatized industries



Developing Your Core Competency

- Attend seminars and workshops organized by potential donor organizations
- Read reports, project assessments, and professional papers to understand the African environment from a potential partner's perspective
- Be proactive in introducing your affiliation and interests to these donor organizations – most are public institutions that have an “outreach” component for the development of partnerships
- Recognize your organization's strengths and weaknesses within the context of African market development
- Package and sell your organization's strengths as a potential resource for African economic development. Identify partners with resources that compensate for your weakness
- Learn to talk the “language” to effectively sell your ideas



Developing Viable Strategies

- Effective strategies pose solutions to the “negatives” relative to the African market environment
- Technical assistance activities are often more viable than market promotion and access initiatives
- Strategy should be a “win-win” for Africa and the foreign company/industry
- Strategies should include partnerships with relevant stakeholders, donors and allied organizations



Formulating a Vision

- Need to formulate a holistic vision for market development and investment in Africa
- Subsequently, break down this holistic vision to a national and regional focus
- Determine the role(s) that your company/organization can/needs to play within African economic development
- Articulate this vision to potential stakeholders and donors
- A viable vision will enable you to immediately discern an “opportunity” from a “waste of time”
- A vision will also allow you to use limited resources in the most effective and efficient manner



Developing Partnerships and Strategic Alliances

- Few, if any, organizations/companies working in Africa have adequate resources to accomplish all that is needed
- Donor organizations often welcome partnerships with other public and private organizations - pooled resources and shared accomplishment
- Need to think “outside the box” and explore relationships with all organizations with which you share a common objective



Potential Partner Organizations (1)

Examples:

- **World Bank** – Disperses loans to client country governments for agricultural and economic development. Often seeks partnerships to implement “terms of reference” associated with loan
- **USAID** – Funds for Policy and Regulatory Reform and Market Regionalization
- **African Development Bank**
- **Food and Agricultural Organization of the United Nations** – Policy Workshops



Potential Partner Organizations (2)

- **Private Voluntary Organizations** (e.g., Peace Corps, World Vision, SG2000, Religious Organizations etc.)
- **Private Consultant Companies** (e.g. DAI, ACDI/VOCA, etc.)
- **Rockefeller Foundation**
- **Ford Foundation**
- **Land Grant Universities** (e.g. the Association for International Agriculture and Rural Development – AIARD)



Potential Partner Organizations (3)

- **Host Government Agencies**
- **Multinational Companies** (e.g., petrochemical, life science and pharmaceutical companies etc.)
- **International and National Research Institutions**
- **Foreign Government Donor Agencies (DANIDA, GTZ, etc.)**
- **Allied and/or Competitor Organizations** (e.g., National/Regional/International Trade Associations)



Leadership

- Leadership is essential to bringing all potential partners to the table
- Leadership is the catalyst
- Leadership is the glue for leveraged resources.



Concluding Remarks

- Accomplishment of the “elements” will better position your organization to leverage future resources for market development and investment
- Utilize existing USDA market development funds to support larger and broader initiatives requiring a pooling of resources (e.g., World Bank loans and “Terms of Reference)
- Develop internal advocacy mechanisms though use of market development funds to promote a viable trade policy and regulatory environment, (e.g. African Seed Trade Association)



Concluding Remarks (2)

- Success begets success – start with a manageable partnership. If successful, more opportunities will naturally develop
- View your organization as an essential part of a global mechanism – not as the stand alone entity with its own strategies and objectives
- As you develop partnerships and leverage resources from other entities do not lose sight that the objective is what counts – not the money. A myopic pursuit of money only obscures opportunity
- Your competitors are engaged in Africa – don't miss the current window of opportunity